

Credit
Unions

ADMINISTRATIVE FILE

Credit Unions

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August 23, 1960

Mr. Robert M. Dolan
Credit Union National Assoc. Inc.
1617 Sharman Ave.
P. O. Box 431
Madison 1, Wisconsin

Dear Mr. Dolan:

As per your letter of August 15, 1960,
enclosed please find copy of Resolution endorsing
Credit Unions.

Very truly yours,

H. J. Gibbons
Executive Assistant to the
General President

HJG/yb
Enc.

ORSDIT UNION NATIONAL ASSOCIATION, INC.
1817 SHERMAN AVE. P. O. BOX 481 CHERRY 4-4781 MADISON 1, WIS.



CUNA MUTUAL
INSURANCE SOCIETY

CUNA SUPPLY
COOPERATIVE

August 15, 1960

Mr. Harold Gibbons, Vice President
International Brotherhood of Teamsters
Teamsters Office Building
Washington, D. C.

Dear Mr. Gibbons:

Inadvertently, our last copy of the Resolution endorsing Credit Unions passed at the Teamsters Convention last year was used.

We would appreciate it if you would supply us with additional copies of this Resolution.

Sincerely yours,

Robert M. Dolan

Robert M. Dolan
Organization Director

RMD:jw

ADMINISTRATIVE FILE

Credit Unions

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Sample Credit Union Resolution

WHEREAS: Credit Unions provide a method for wage earners to save money conveniently in a local Credit Union operated by its members, thus increasing their own economic stability and independence, and

WHEREAS: Credit Unions assist and protect their members from ever present exploitation perpetrated upon consumers by providing needed credit at low interest rates, and

WHEREAS: Credit Unions already serve hundreds of thousands of union members who testify to their value and merit and who frequently make provisions for voluntary check-off for savings and loan repayments in local union contracts, be it

RESOLVED: That the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers Union, go on record as approving the organization of Credit Unions to serve the financial needs of our members, and that local committees be appointed to proceed with the details of organization in locals where no Credit Union exists, and be it further

RESOLVED: That our locals' officers be authorized to discuss with management the formation of a Credit Union, and enlist company support in working out such Credit Union facilities as can helpfully serve our membership, and be it further

RESOLVED: That any local wanting assistance in getting a Credit Union organized contact the Organization Department of the Credit Union National Association, 1617 Sherman Avenue, Madison, Wisconsin, who will provide assistance without cost or obligation.

*Passed Feb
1954*

ADMINISTRATIVE FILE
Credit Union
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Press Intelligence, Inc.
WASHINGTON 1, D. C.

CUMBERLAND (Md.)
TIMES

Circ.: a. 21,041
S. 29,632

Front Page	Back Page	Other Page
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Date: SEP 28 1959

Credit Union Event Stated For Oct. 15

Plans for the Credit Union Day celebration to be held Thursday, October 15, at the State Armory in Frostburg were discussed at a meeting of the Western Maryland Chapter of the Federal Credit Union at the B&O Employee Federal Credit Union office.

Fred A. Griffith Sr., president, represented at the meeting were the following Credit Unions: B&O Credit Union, City, County and State Credit Union, Telco Credit Union, Allegany County Teachers Credit Union, Allegany Credit Union, Western Maryland Credit Union, Rural Electric Credit Union and Paper Workers Credit Union of Lake.

Mrs. Bettie Rider of the B&O Credit Union was elected to the board of directors of the Maryland Credit Union League. Griffith read recent changes in the Credit Union Act which should benefit the membership.

The chapter will meet November 17 at the B&O Credit Union office.

HILLSBOROUGH COUNTY TEACHERS CREDIT UNION

P. O. Box 643
TAMPA 1, FLORIDA
June 12, 1959

ROBERT C. LECHNER
DEPUTY MANAGER

ADMINISTRATIVE FILE

Credit Union
x *Lechner, Robert C.*

Mr. Harold Gibbons, Vice - President
International Brotherhood of Teamsters
Teamsters Office Building
Washington, D. C.

Dear Mr. Gibbons:

Since I am no longer with the Credit Union National Association, I was a little slow in discovering that the Teamsters passed a resolution on Credit Unions at their National Convention.

I sincerely appreciate the willing way that both you and Yuki Kato cooperated on this matter, when I was at your office last December.

A report from the CUNA Organization Department indicates that several new Teamster Credit Unions have resulted from the Convention's action. I'm sure Bob Dolan, Director of this Department, would be happy to send you a monthly progress report if you'd like to have one.

Again, may I say, that in view of the many unwarranted stresses the Teamsters have undergone in recent months, I greatly appreciate the help which you gave me.

Very truly yours,

Bob
Robert C. Lechner
Deputy Manager

RCL/sch

copies to: Estelle Lechner, 625 Bacon Avenue, Webster Groves, Mo.
Robert M. Dolan, 1617 Sherman Avenue, Madison, Wisc.

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ADMINISTRATIVE FILE

Credit Unions

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CREDIT UNION NATIONAL ASSOCIATION, INC.
1617 SHERMAN AVE. - P.O. BOX 431 - CHERRY 4-4721 - MADISON 1, WIS.



CUNA MUTUAL
INSURANCE SOCIETY

CUNA SUPPLY
COOPERATIVE

January 6, 1959

Mr. Harold Gibbons
Executive Vice-President
International Brotherhood of
Teamsters, Chauffeur, Warehousemen
and Helpers Union
25 Louisiana Street
Washington, D. C.

Dear Mr. Gibbons:

Attached is the sample resolution on credit unions to be presented at your annual convention which you suggested I send you when I talked to you at your office a couple of weeks ago. You certainly are free to revise this resolution in any way you care to, however, we would appreciate having a copy of the final draft. I have also attached a list of credit unions now serving teamster locals and would like to suggest that our organization provide brochures for mailing to those locals which are not currently enjoying credit union service. Samples of these brochures are included here, and would be provided to you without charge, if such a mailing is possible.

As to the matter of setting up a display booth on credit unions at your annual convention, our Public Relations Department will certainly be happy to follow through on this, if you will let us know when and where the convention will be held and the approximate number of people that will attend.

Finally you will recall that we discussed the possibility of the International Brotherhood of Teamsters having a staff person as a credit union specialist. This is an unprecedented idea, which seems to me to have the following advantages:

1. It will convince the teamster members that the union, more so than the company, is concerned with their economical welfare.
2. It will insure those locals who do not have credit unions serving their members that they will be able to get a credit union started.

Mr. Harold Gibbons

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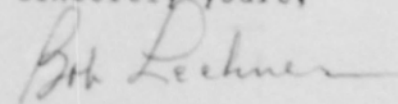
January 6, 1939

3. It will insure that once a credit union is started someone will be available to guide its growth and development and produce a source of credit that was not available prior to its organization.
4. It assures the fact that when a credit union is organized it will bear the name of the teamster local rather than the company that employs teamster members.
5. It will keep the teamster name constantly before all of the people served by these teamster credit unions, since they will be sending out many thousands of monthly statements, passbooks, notices, loan applications, etc. In brief, Mr. Gibbons, such a staff person would pay for himself many times over and at the same time bring to the teamster members a very favorable and needed credit source.

Again let me thank you for allowing me to descend on you out of nowhere while I was in Washington.

Sincerest best wishes for the New Year to both you and Yukl.

Sincerely yours,



Robert C. Lechner
Assistant Director
LUNA Organization Department

RCL:jw

Enclosures

CREDIT UNIONS AND TEAMSTER LOCALS

Teamsters Local 612 PCU
4112-16th Ave. N.
Birmingham, Ala.

Teamsters Local No. 684 PCU
2444 Broadway
Bureka, Calif.

Teamsters Local 431 PCU
1099 T. St.
Fresno, Calif.

Teamsters Local 208 PCU
1416 W. 9th St.
Los Angeles, Calif.

Ward Employees Members of 853 CU
1210 E. 14th St. Office 4
Oakland 1, Calif.

Teamsters 17 Federal Credit Union
3245 Elliot St.
Denver 11, Colo.

Teamsters 452 Federal Credit Union
3245 Elliot St.
Denver, Colo.

Sanitary Truck Drivers Credit Union
2940 - 16th St. Room 2
San Francisco, Calif.

Teamsters Local 536 PCU
64 Manchester Circle
West Hartford, Conn.

Hawaii Teamsters PCU
460 John Egan Rd.
Honolulu 15, T. H.

Teamsters & Chauffeurs Local No. 279
Credit Union
307 1/2 East Main
Deerstar, Ill.

Dairy-Team PCU
909 North 18th St.
East St. Louis, Ill.

Service Station Operators CU
800 N. 73rd St.
E. St. Louis, Ill.

Teamsters Local No. 135 PCU
1233 Shelby Street
Indianapolis, Indiana

Teamsters Local 238 Credit Union
O Box 909
Mar Rapids, Iowa

General Drivers Credit Union
1435 Central Ave.
Dubuque, Iowa.

Fort Dodge Teamsters Local No. 650 CU
811 So. 22nd St.
Fort Dodge, Iowa

Teamster's Local No. 650 Credit Union
303 1/2 E. 7th St.
Waterloo, Iowa

Dairy Workers Local 783 PCU
1002 Hoffman Building 139 S. 4th St.
Louisville 2, Ky.

Bakery Drivers Federal Credit Union
650 Beacon St.
Boston, 15, Mass.

Local No. 570 Md. PCU
5606 Patrick Henry Dr.
Baltimore 30, Md.

Teamsters Local 328 PCU
1323 Superior Ave.
Gladstone, Mich.

Menominee Local 328 Credit Union
507 3rd
Menominee, Mich.

Taxicab Drivers Federal Credit Union
706 4 1st Ave. N.
Minneapolis 3, Minn.

One Twenty Credit Union
469 Selby Ave. Apt. 32
St. Paul 2, Minn.

Billings Teamsters PCU
2815 Mont. Ave.
Billings, Montana

Great Falls Teamsters PCU
900 - 10th Ave. So.
Great Falls, Mont.

Team's Federal Credit Union
307 Wall St.
Las Vegas, Nev.

Six Thirty-Three Credit Union
852 Elm St.
Manchester, New Hamp.

Camden Truck Drivers PCU
224 Federal St.
Camden, N.J.

Bakery Salesmen Credit Union

30 Jane St.
New York, N.Y.

Milk Drivers Local 645 FCU
80 Webster Ave.
Rochester 9, N.Y.

Syracuse Dairy and Bakery Salesmen FCU
309 Franklin St.
Syracuse, N.Y.

Bea Credit Union Inc
39 W. Micken Ave.
Cincinnati 10, OHIO

Local 114 Credit Union
2906 Woodburn Ave.
Cincinnati 6, Ohio

Local 185 Credit Union Inc.
39 W. McMillen Ave.
Cincinnati 10, Ohio

Cleveland Teamsters Credit Union Inc.
2070 22nd St.
Cleveland 15, Ohio

Toledo Teamsters FCU
435 S. Hawley St.
Toledo, Ohio

O. C. Taxi Drivers FCU
3009 N. W. Park
Oklahoma City, Okla.

General Teamsters 397 FCU
1701 State St. 2nd Floor
Erie, Pa.

Teamsters & Chauffeurs FCU
2552 Jefferson St.
Harrisburg, Pa.

Teamsters Local 30 FCU
720 Lowry Ave.
Jeannette, Pa.

Local 169 L.B.T.C.W. & N. of A. FCU
1239 W. Girard Ave.
Philadelphia 23, Pa.

Teamsters 635 FCU
46 - 18th St.
Pittsburgh 22, Pa.

Teamsters Local 429 FCU
200 Girard Ave.
Hyde Park, Reading, Pa.

Memphis Yellow Cab Drivers FCU
321 Jeff
Memphis 3, Tenn.

Sales-Drivers Credit Union

217 South Alder St.
Tacoma, Wash.

Valley Teamsters Credit Union
512 S. 6th St.
Yakima, Wash.

Local 987 Savings & Credit Union Ltd.
227-11th Ave. East
Calgary, Alberta

Teamsters' Savings & Credit Union Ltd.
10187 - 99th St.
Edmonton, Alberta, Canada

Teamsters Local 11 Credit Union
7021 Malibu Dr.
North Platte, Br. Columbia

United Credit Union Society Ltd.
Labor Temple 165 James St.
Winnipeg, Manitoba

THE BIG IDEA

A credit union is a way people can help each other with money problems. They pool their money together, and lend it to each other at low rates. This basic idea, more than 100 years old, is so practical that there are now credit unions everywhere in the United States and Canada, serving millions of members.

Credit unions have helped thousands of people, who, through hard luck, got deeper and deeper into debt. They have rescued thousands of members from high-rate lenders, and have made countless loans nobody else would make—at rates lower than others would charge. They have started people on their way to home ownership, helped them buy the things they need, paid off difficult medical bills, and straightened out debt problems that seemed to have no solution. They have helped people save who never

saved any money before. They have given new hope to people who thought they would never smile again.

HOW IT STARTS

A credit union can be started in any well-defined group: people working for the same employer; people who live in the same small community; people who are members of the same church, labor union, or fraternal order. Membership is open to anybody in the group. Basically, every credit union is a group of friends and acquaintances who want to help each other. The only purpose of a credit union is service—not charity or profit.

MEMBERS OWN IT

A credit union is legally incorporated as a non-profit organization for members only. It is run by its members, and is entirely owned by its members. Only the members have money in the credit union—only the members can

take money out, use its services, vote for its officers, or manage its affairs. As a member-owner, you don't have to ask anybody for favors at the credit union. You own it, and are entitled to the full use of its services.

it helps you save

Many members say they never saved a cent until they joined the credit union. The credit union makes it easy for you to save through shares. No amount is too small; the credit union is glad to have you add whatever you can to your share account. It pays you good dividends on your money. Even more important, it helps you save systematically out of your present income. The habit of thrift and the future security it brings you is one of the big benefits of belonging to a credit union. Many members keep adding to their share accounts even when they have to borrow. It works wonders!

The money you and your fellow members put in the credit union is used to make low-cost loans to members for any worthwhile purpose. Here are some of the reasons why members borrow: doctor bills, furniture, appliances, new and used cars, home repairs, old bills, taxes, vacations, down payments on homes, farm equipment, and clothes. When you do your borrowing at the credit union, you always know how much you owe, how much your credit costs you, and what your monthly payments are. Wise borrowing gives you more purchasing power and helps you get the things you need, lets you live comfortably, and keeps your budget under control.

RATES ARE LOW

There are good reasons why interest rates are low on credit union loans. Members who borrow from their friends at the credit union have proved that they meet their obligations fairly,

so the risk of loss is very small. The credit union operates on a non-profit basis, and most of its officers serve without pay. Moreover, the credit union never has extra hidden fees or charges that beat the rate you pay. The interest rate is never higher than one cent per month on each dollar you owe. No interest is deducted in advance; you pay as you go. These low rates mean big savings for you and other credit union members.

HOW IT OPERATES

The credit union is run by volunteer officers elected from the membership. Each member has a vote when the officers are elected at the annual meeting. Among those who serve without compensation are: 1) a board of directors to govern the credit union, 2) a credit committee to approve loans, and 3) a supervisory or auditing committee to audit the books. The treasurer or manager who takes care of the business of the credit union is the only person who is paid, unless

the credit union grows big enough to need more paid office help.

it is safe

Your credit union protects your money well. It operates within the limits set by law, serving only its members. It is inspected regularly by government examiners, and is audited by your own supervisory or auditing committee. All persons who handle money are bonded, and reserves are set aside each year for added protection. These safeguards keep your money safe in the credit union.

it is important

Today there are thousands of credit unions operating in the United States, Canada, and other countries. Many new ones are started each month. They serve many kinds of membership groups — industrial employees, civil servants, farm communities, small businessmen, military personnel, church parishes, and others. All of them oper-

ate on the same "helping members" basis. They have been so successful that credit unions are now an important part of our economy.

WHAT IT MEANS

A credit union is formed because people need it and want it. It grows because it provides services that people can't get anywhere else. Actually, it's the kind of sympathetic, humane help that people naturally give each other as friends and neighbors, but better organized to provide regular service and protection for your savings. That's why you can always rely on your credit union for help or advice. It's a great feeling to know that you always have your credit union to turn to.

WHAT
IS A
CREDIT
UNION
?

YOU CAN START A CREDIT UNION

*The procedure is simple and you will get plenty of help.
Then you have a good place to put money—and to borrow from.*

By starting a credit union, a group of people solve two common problems—where to borrow money at reasonable rates and where to save it at profitable rates.

If this idea appeals to you, and you do not already belong to a credit union, you may want to get one going. But first you will want to know more about what a credit union is, how it operates and how much work is needed to set it up.

The simplest definition of a credit union is this: An organization of people who work together, belong to the same church, farm organization, fraternal society, or live in the same community, who agree to save their money together and to make loans to each other at low rates of interest.

Members of a credit union deposit money, preferably on a regular basis, which accumulates as shares in the credit union. Usually a share is worth \$5. The money they deposit becomes a fund, available to all members for borrowing. The maximum rate of interest on borrowed money is 1% a month on the unpaid balance. In some credit unions the rate is a bit lower.

Loans are made on the approval of an elected credit committee, and no security is required on loans under \$500 to \$500, depending upon the operating charter of the credit union. Amounts in excess of the unsecured limit may also be borrowed on a car or some other security. Loans are granted with a minimum of red tape.

The credit union will, of course, show a profit from its lending operations if everything works out okay. After expenses are paid and a small reserve for bad debts is set up, the remaining money is returned to the shareholder members as dividends. The amounts of dividends vary, but they average 3% or more a year.

How can a credit union lend money at lower rates and pay its members higher dividends than most comparable commercial organizations? Because the credit union is a nonprofit cooperative organization among a selected group

of people—which means that it pays less in taxes, in salaries, in credit investigation and collection costs, and in general overhead.

Because the credit union is such a simple device, and is so successful in meeting the financial needs of a large number of people, credit unions are springing up all over the United States and Canada at a steady rate.

At this moment there are roughly 11,500,000 credit union members in the United States and Canada, belonging to some 23,200 credit unions with total assets of more than 4 billion dollars. It is estimated that credit unions were the source of roughly 11% of all consumer borrowing last year.

Some of the largest credit unions with assets of millions of dollars employ a large staff of paid clerical help. Most credit unions have a small staff, based on their ability to pay. Some operate with no paid help whatsoever. (Officers always serve without pay, except the treasurer, who may get a salary.) Credit union operation is fairly standardized, and experts in bookkeeping and accounting, although desirable, are not necessary to the successful operation of a small association. Any group of 100 people—perhaps fewer in some instances—can have a credit union.

It's easy to get going

You will be pleasantly surprised to learn how easy it is to form a credit union. You don't need a lot of money and a battery of lawyers or accountants, and it doesn't take much time. A credit union can be organized in a month with the work of only a few people, and you can get expert help in organizing one without any charge whatsoever.

But first ask yourself which group of people would be the most logical to organize. Would it be the people you work with, the members of your union, the members of your church, or the people who live in your neighborhood? Credit unions have been established for people in all

walks of life—military and civilian; rural, urban, and suburban; office and factory.

Most credit unions, however, are established by groups of employees in factories, offices, banks, schools or government. About 80% of credit unions are based on occupational groups, some of them under trade union auspices and some under employer auspices.

If you are a member of a group that is likely to be interested in organizing a credit union, here is a step-by-step outline showing how one can be set up.

1. Your first move is to consult your credit union league, the center of credit union interest in your area. Information concerning the address of your league may be obtained from the Credit Union National Association (CUNA), Filene House, Madison, Wisconsin. The league provides literature and organizing service free of charge. If a regular organizer isn't available, someone from an existing credit union in your area will be asked to help you get started.

2. The organizer will go directly to the employer, the minister or the union president, depending upon the group to be organized, and explain the way a credit union works and how it can help its members. He will request and will usually get the cooperation of the sponsoring organization. In most cases, the company, church or union provides small office space for the credit union. Employers sometimes sanction payroll deductions for the purchase of credit union shares.

With cooperation assured, the organizer will then ask the sponsoring organization to call together a group of 15 or 20 people from all ranks of the organization. The purpose of this meeting is to explain the credit union idea, to answer questions, and help the group reach a decision.

3. At this "charter meeting," the organizer will again explain the aims and usefulness of the credit union and will answer questions. If he is satisfied that the group is ready to proceed, he will usually advise the members to file an application for a charter.

4. Seven or more members are required to sign the application, and each of them may be asked to contribute a small amount, usually about \$5, toward the charter fee. Later on, these signers of the charter application will be given shares in the credit union to reimburse them for their initial contribution.

5. With the application for charter you will also have to file a set of bylaws for the operation of the credit union. Copies of a set of bylaws in general use in your area are available from the organizer or directly from the credit union league.

6. At this same charter meeting you will select a committee to nominate a slate of officers for the credit union, including a president, a vice-president, a treasurer, three members of the credit committee and a three-man supervisory committee. This may be done waiting for the charter to be approved by the governmental agency.

7. With the slate of officers ready, the next step is to call an organization meeting. All members of the union, church or neighborhood or fellow workers will be informed of the meeting and asked to attend. At this meeting officers will be elected, and a general summary of credit union aims and methods will be given to all prospective members.

Immediately after this meeting an open meeting of the newly elected board of directors and officers will be held to accomplish the following jobs:

Apply for a bond for the treasurer so that he may handle the funds; select a bank in which credit union funds shall be deposited; set a limit, if any, on the amount of shares that any one member may hold; establish the rate of interest to be charged (not more than 1% on the unpaid balance); authorize the expenditure of enough money to buy supplies—a set of books, membership cards, etc. (usually it takes from \$60 to \$150, including the charter fee, to get a credit union going); set the time and place at which deposits may be made and loan applications received; approve all applications for membership; set the time and place of monthly meetings of the board, and open the books.

After these preliminaries, the credit union is ready to begin operation.

takes time to grow

Typically, many of the potential members will join the credit union at its earliest stages. As a rule, credit union membership doubles every year for the first five years, and assets do, too.

The number of participants in the credit union depends largely upon the kind of group you have and their experience with cooperative activities. Is a plant where there are bowling and baseball leagues or is an office where there

are frequent social affairs, a credit union will usually attract a large share of the potential members. Sometimes, however, the credit union itself is the magnet that draws people together. During the first year of operation, credit union officers and committee members should be in close contact with the organizer or with officers of a nearby credit union. In addition, they should participate in League and Chapter educational and training programs, and maintain contact with other credit unions in the area.

obstacles you may encounter

Sometimes, of course, organizing a credit union turns out to be difficult. Here are some of the stumbling blocks.

Lack of leadership. The organizer and others interested in forming a credit union should be careful to pick as leaders people who are respected and who have influence among the members of the group that will form the credit union. The election should not be a popularity contest. The office of treasurer is particularly important. He or she should be a person to whom other people can bring their troubles—and a person of excellent reputation.

General or specific opposition. Occasionally the sponsoring group for the credit union will oppose the organization in principle. And in some cases, opposition comes because the credit union may interfere with an existing and profitable loan racket.

Most often it is simply a lack of understanding on the part of the sponsoring group of how a credit union works that causes friction. A good organizer can overcome most of that opposition by explaining the plain facts. As a matter of fact, there are far more credit union supporters among company presidents, union officials, and community leaders than there are critics.

Poor timing. A successful credit union cannot be organized unless there is some live, current need for it and some willingness—at the crucial time—on the part of a small group of people to do the organizing job.

If your efforts are successful, you will have created an organization that is truly a help to many people. As the credit union grows, you will notice that more and more of its members develop regular habits of thrift and that fewer and fewer of them become overburdened with heavy debts at high rates of interest—in short, that the members begin to learn how to manage their money wisely.

HOW A CREDIT UNION STACKS UP FOR BORROWING AND FOR SAVING

—as you can see, it is a better-than-average place to get a loan and a good place to keep your money

If you borrow \$100 and repay it in 12 monthly installments:	You will pay this much interest or carrying charge:
personal loan from a bank	\$4 to \$12; most loans range between \$6 and \$8
life insurance policy loan	\$2 to \$3 if repaid monthly
auto loans from banks or finance companies	\$8 to \$8 on new cars; \$5 to \$10 on used cars
carryover charges on installment purchases	no common rate; may cost from \$2 up to \$25 or more
small loan company	\$12 to \$24
credit union	\$6.50 most common; may be a bit lower

If you have \$100 in savings:	You will net this much in annual dividends or interest:
bank savings account	\$1.50 to \$2.50
savings bonds	\$2 if held 10 years; interest first year about 1%
savings and loan associations	\$2 to \$4
credit union	usually \$3

for complete information . . .

Consult the CREDIT UNION LEAGUE OFFICE nearest you

Birmingham, Alabama	Omaha, Nebraska
Calgary, Alberta	St. John, New Brunswick
Phoenix, Arizona	Coeur d'Alene, New Hampshire
Little Rock, Arkansas	Elizabeth, New Jersey
Vancouver, B. C.	Albuquerque, New Mexico
Georgetown, British Guiana	Balgowlah, New South Wales
Oakland, California	New York, New York
Santiago, Chile	Greensboro, North Carolina
Denver, Colorado	Jamestown, North Dakota
Kensington, Connecticut	Antigonish, Nova Scotia
Washington, D. C.	Columbus, Ohio
Roseau, Dominica	Tulsa, Oklahoma
Suva, Fiji Islands	Ypsilanti, Ontario
Jacksonville, Florida	Portland, Oregon
Atlanta, Georgia	Harrisburg, Pennsylvania
Honolulu, T. H.	Charlottetown, P. E. I.
Nampa, Idaho	Roosevelt, Puerto Rico
Chicago, Illinois	Montreal, Quebec
Indianapolis, Indiana	Regina, Saskatchewan
Des Moines, Iowa	Charleston, South Carolina
Kingston, Jamaica, E. W. I.	Sioax Falls, South Dakota
Wichita, Kansas	Chattanooga, Tennessee
Louisville, Kentucky	Dallas, Texas
New Orleans, Louisiana	Tunapuna, Trinidad
Portland, Maine	St. Albans, Vermont
St. Boniface, Manitoba	Lynchburg, Virginia
Boston, Massachusetts	Seattle, Washington
Detroit, Michigan	Huntington, West Virginia
St. Paul, Minnesota	Apia, Western Samoa
Jackson, Mississippi	Milwaukee, Wisconsin
St. Louis, Missouri	Cheyenne, Wyoming
Great Falls, Montana	

or write to:

CREDIT UNION NATIONAL ASSOCIATION INC.
Madison, Wisconsin — Hamilton, Ontario

YOU CAN START A CREDIT UNION



Based on an original article in CHANGING TIMES, The Kiplinger Magazine



Why organized labor has publicly endorsed credit unions

LABOR UNIONS improve conditions for the working man. **CREDIT UNIONS** protect the wage-earner against money troubles. The two go hand in hand.

Labor unions are credited with results for members through collective bargaining, political action, education, and benefit funds.

Credit unions on the other hand help members in these ways:

- A credit union will lend them money at low rates for any good purpose. No need to ask the boss for favors, or to take a chance with high-rate money lenders.
- A credit union will help them save money, too. At the credit union, they can save even while repaying a loan.
- A credit union will show them how to solve their own money problems. Credit union officers have an extra reason for wanting to help when the members belong to their own local.
- A credit union will stand by its members in good times and in bad. Except at the credit union, loans are hardest to get when they are needed most. But labor history is full of stories about credit unions which continued to serve members through lay-off periods and other emergencies.

Credit unions already serve millions of the same people as union locals do. Many members belong to employee credit unions at the plant. In addition, the members of more than 1,000 locals own and operate their own credit unions, serving about half a million families. But labor leaders estimate that 75% of organized labor is still without this service.

All this explains why A. R. Mosher, former president of the Canadian Congress of Labor, says: "Labor unions generally should encourage the formation of credit unions by their own members." George Means, AFL-CIO president, adds: "The credit union movement provides an excellent means through which organized labor can unite with other groups to advance the public welfare." Dozens of international unions have adopted resolutions endorsing credit unions for their members.

why credit unions are necessary

Today, the working man needs low-cost credit as much as he needs his pay check. Most families normally "finance" every purchase over \$50. Most of them already have 10-20% of their take-home pay tied up in time-payment contracts, and this

percentage is climbing every year.

Credit unions save them millions of dollars each year in financing charges by providing a convenient, constantly available source of credit at reasonable rates.

WHAT CREDIT UNIONS ARE

A credit union is not a labor union — not a bank — not a finance company — not a credit bureau. It's not even a business in the ordinary sense. It's a non-profit corporation, chartered by law to serve members only. It is owned and run entirely by its members, to meet their personal needs.

Union members can find many places to borrow money or deposit savings. But the credit union is the only financial institution on earth where the policies and service are shaped by what the members need in financial service.

WHAT CREDIT UNIONS DO

Members put money in the credit union to create the needed funds. Then the credit union makes loans to members who need them. Everybody in the membership group can join. All can get its service impartially. A credit union is a democratic self-help enterprise.

The only charge for a loan is interest. The cost is never more than a penny a month for each dollar still owed. For \$100 paid back in 12 monthly installments, the total credit cost is \$6.50 or less. No other charges — no discounts, fees, premiums, or other "extras."

Loans are made for any good purpose: old debts, cars, doctor bills, furniture, union dues, taxes, vacation, insurance, tools, funerals, and many others. With the income from these loans, the credit union pays its expenses and sets up the reserves required by law. Every nickel left over must be used for the benefit of the members, including good dividends on the money they put in the credit union. No special group has any privileges the other members don't get.

HOW CREDIT UNIONS OPERATE

Credit unions are run by officials elected by and from the membership. Every member can vote in the elections. The officials are a Board of Directors, a Credit Committee, and a Supervisory or Examining Committee. The only elected officer who can be paid is the Treasurer.

The Treasurer keeps the books and records, and conducts the daily business of the credit union. The Credit Committee approves the loan applications; the Supervisory Committee examines the books. As the credit union grows, it may pay a Treasurer or appoint a Manager full-time and hire office help as needed.

The best place for the credit union office is where the members can reach it easily — the place where they work, or a nearby location, or in the union hall. If the membership is scattered, they can still be served efficiently by mail, and by volunteer representatives or collectors.

THE CREDIT UNION FRAMEWORK

Credit unions can be chartered under state, provincial, or federal law. The various laws differ in some details, but they all have these provisions:

MEMBERSHIP. Credit unions can be organized in any well-defined group — people who belong to the same union, church, or fraternal order; people working for the same employer; people who live in the same small community, etc. The only cost of membership is a small entry fee, usually 25¢.

SHARES. Savings are called "shares," because each share unit (usually \$5) saved represents a share of ownership in the credit union. Dividends are paid on shares each year.

LOANS. Loan limits are set by law, and by the borrower's ability to repay. Under the credit committee's sensible rules, the primary security for every loan is the borrower's signature; it may be supplemented by pledging property, a co-signer, or other security, if the loan is a large one.

INSURANCE. Most credit unions provide members with life insurance at no extra cost: loan insurance which pays off the loan of the insured borrower in case of his total disability or death, and life savings insurance which is added to his savings.

SAFEGUARDS. Money is safe in the credit union. Most of the money is safely invested in loans to members. All persons who handle funds or records are bonded. Reserves are set aside as required by law, and all cash is deposited in a bank. The credit union is examined regularly by the government and by its own Examining Committee.

HOW CREDIT UNIONS ARE ORGANIZED

A credit union usually requires a starting group of 100 or more people, of whom a small number must sign the charter application. When the charter is granted, the credit union is ready to begin operation.

In industrial groups, the credit union may be sponsored either by the employer or by the union local, or jointly by both. An employee credit union normally includes workers not covered by the union contract, giving the credit union the advantage of extra membership. (On the other hand, a credit union serving one plant usually cannot give proper service to local members who work for other firms. Occasionally, an employer is unfriendly to credit unions. In such cases, it is best for the union local to sponsor the credit union.)

Consent and cooperation of the employer is a big advantage. An interested employer can help the credit union by providing office space, and by allowing members the time they need to do business at the credit union. Some employers also provide payroll deduction and other helpful facilities, realizing that what benefits the employee financially will benefit the employer. Credit union services are frequently mentioned as employee benefits in firms that have good labor management relations.

WHAT CREDIT UNIONS HAVE LEARNED

It should always be clear that neither the company nor the union runs the credit union. The members

should know that they keep full control of the credit union through their voting rights. Credit unions do the best job when the members choose officers who are not officials of either the company or the union local. This is important, because the credit union can be badly handicapped if it gets mixed up in problems or policies that don't concern credit union service.

Credit unions and labor unions have this purpose in common: to obtain better living conditions for all their members. Labor union members make ideal credit union members because they already understand how security stems from united action. Union men understand better than anyone else what credit unions have done for the world by helping millions of families to get their feet on the ground financially, and to live with security and self-respect.

Credit unions show how much good they do by how fast they have grown. There are now more than 23,000 credit unions, serving over 11,000,000 members in North America alone. They are joined together in state and provincial leagues and the Credit Union National Association. Through these organizations they cooperate on local and international levels as labor unions do, and as most companies do through their trade associations.

How you can start a Credit Union

Work with your local officers to put a motion on the floor at a membership or executive board meeting of your union, asking a committee appointed to collect information about a credit union. This will start the ball rolling.

Ask your International Representative for information and advice. Most unions have instructed their representatives to give educational and organizational help in forming local credit unions.

Keep management informed, because a credit union will benefit the companies for whom your members work. In most cases, they will want to cooperate.

Contact the Credit Union League of your state or province for assistance in obtaining a charter and setting up the credit union. You can get in touch directly, too, by writing to the Credit Union National Association, Box 681, Madison 1, Wisconsin, or Box 45, Hamilton, Ontario.

All these organizations will give you whatever help you need without charge. Local conditions will determine how your union membership can be served best: by credit unions of the plant, or within the union local, or both.

sample resolution for your local

WHEREAS: Credit unions provide a method for wage earners to save money conveniently in a local credit union operated by themselves, thus increasing their own economic stability and independence; and

WHEREAS: Credit unions assist and protect their members from exploitation by providing needed credit at low interest rates; and

WHEREAS: Credit unions already serve hundreds of thousands of union members who testify to their value and merit, and who frequently make provision for voluntary check-off for savings and loan repayments in local union contracts; be it

RESOLVED: That our union local go on record as approving the organization of a credit union to serve the financial needs of our members, and that a committee be appointed to proceed with the details of organization; and be it further

RESOLVED: That our local officers be authorized to discuss with management the formation of a credit union, and enlist company support in working out such credit union facilities as can helpfully serve our membership.

For more information about credit unions, write to

Credit Union National Association, Inc.

Madison 1, Wisconsin

Hamilton, Ontario



credit union
benefits

for labor
union
members